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ABSTRACT

The current trend toward deregulation of education at the federal level will not prove particularly significant if deregulation does not also occur at the state level. The Reagan administration's handling of deregulation has been clumsy, slow, inappropriate, and apparently guided by motivations other than the easing of administrative burdens. These conclusions are drawn from an examination of the effects of the withdrawal of the Lau Regulations, the abortive effort to allow tax-exempt status to racially discriminating private schools, and the extensive budget cutting accompanying the consolidation of categorical grants into a block grant program in Chapter Two of the Education Consolidation and Improvement Act. Even successful federal deregulation would only affect 8 percent of educational funding, however, and tax reform efforts like Proposition Thirteen have assured that true control will revert to the states. The likelihood seems remote that significant changes will occur in pay rates, hiring practices, licensing requirements, or other regulated areas. The opportunity for local schools to compete more successfully for personnel or to provide higher quality services seems as a result to be unlikely to develop. Still, the imperatives of scarcity and the new federal role make deregulation at the state and local levels a simple necessity. (Author/PGD)

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

DEREGULATION, THE NEW FEDERALISM, AND SCARCITY: THE END OF ADDITIVE REFORM

DEREGULATION, A MAJOR OBJECTIVE OF BOTH THE CARTER AND REAGAN ADMINISTRATIONS, IS BEGINNING TO WORK. COMPETITION AND EFFICIENCY HAVE BEEN INCREASED; COSTS HAVE BEEN LOWERED: AND CONSUMERS HAVE ENJOYED SIGNIFICANT BENEFITS. MAJOR STRIDES IN RATIONALIZING PUBLIC POLICIES, THROUGH DEREGULATION, HAVE BEEN ACCOMPLISHED.

UNTIL PRESIDENT REAGAN, HOWEVER, THE MOVE TO DEREGULATE WAS DIRECTED EXCLUSIVELY TOWARD THE PRIVATE SECTOR. WE NOW HAVE A YEAR'S EXPERIENCE OF DEREGULATION IN THE DEPARTMENT OF EDUCATION, AND IT IS A SPECTACLE WORTH PONDERING. THREE DEREGULATION ACTIVITIES ARE OF SPECIAL NOTE.

THE LAU REGULATIONS. TED BELL'S FIRST MAJOR ACT AS SECRETARY ON FEBRUARY 2, 1982, WAS TO WITHDRAW THE LAU REGULATIONS. PUT FORWARD BY JIMMY CARTER'S SECRETARY OF EDUCATION, THE ORIGINAL LAU REGULATIONS ATTRACTED A FIRESTORM OF CRITICISM FROM THE CONGRESS AND MUCH OF THE NATIONAL EDUCATION COMMUNITY. THEY WERE VIEWED AS UNNECESSARILY AND INAPPROPRIATELY INTRUSIVE. THEIR WITHDRAWAL BY BELL MET WITH WIDESPREAD SUPPORT, BUT THE DEPARTMENT OF EDUCATION MUST STILL DEAL WITH THE ISSUES INVOLVED.

THE QUESTION IS ONE IN WHICH CIVIL RIGHTS INTERACT WITH EDUCATION. THE COURTS HAVE RULED THAT SCHOOL DISTRICTS HAVE AN OBLIGATION TO PRO-

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VIDE SPECIAL LANGUAGE INSTRUCTION FOR CHILDREN OF LIMITED OR NO ENGLISH SPEAKING ABILITY. THE DEPARTMENT CONTINUES TO REVIEW THE QUESTION BUT, AS YET, HAS NOT ISSUED REGULATIONS TO REPLACE THOSE THAT WERE WITHDRAWN.

ECIA. THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT (ECIA) OF 1981 ACCOMPLISHED ONE MAJOR ADMINISTRATION OBJECTIVE, THE CONSOLIDATION OF TWENTY-EIGHT CATEGORICAL GRANT PROGRAMS INTO ONE BLOCK GRANT, NOW KNOWN AS CHAPTER 2, ECIA. ALTHOUGH THE CONGRESS WAS UNWILLING TO PUT TITLE I INTO A BLOCK GRANT, THEY DID RE-CHRISTEN IT AS CHAPTER 1. IT HAS BEEN LEFT VIRTUALLY INTACT, EXCEPT THAT ITS FUNDING HAS BEEN CUT, AND EVEN BIGGER CUTS ARE PROPOSED.

PROPOSED REGULATIONS FOR THE NEWLY CREATED CHAPTERS 1 AND 2, ORIGINALLY SCHEDULED FOR RELEASE IN NOVEMBER, 1981, WERE PUBLISHED ON FEBRUARY 12, 1982. THEY ARE CHARACTERIZED BY THEIR EXTRAORDINARY BREVITY AND THE LATITUDE THEY AFFORD RECIPIENTS. THE PUBLIC COMMENT PERIOD IS NOW UNDERWAY.

TAX-EXEMPT STATUS OF PRIVATE SCHOOLS. THIS REMARKABLE DEREGULATION DECISION HAD NO DIRECT RELATIONSHIP TO THE DEPARTMENT OF EDUCATION, BUT INVOLVED ADMINISTRATION OF TAX LAW BY THE INTERNAL REVENUE SERVICE. IT WAS, HOWEVER, THE BIGGEST EDUCATION NEWS OF THE YEAR. THE EPISODE IS NOTHING SHORT OF INCREDIBLE. THE PRESIDENT'S JANUARY 8, 1982, DECISION TO DIRECT THE IRS TO DISCONTINUE THE PRACTICE OF DENYING TAX EXEMPT STATUS TO PRIVATE SCHOOLS THAT PRACTICE RACIAL DISCRIMINATION WAS MET WITH ASTONISHMENT, RIGHTEOUS INDIGNATION, AND FINALLY, WHITE HOUSE REVERSAL. HAVING ASSERTED THAT IRS HAD EXCEEDED ITS AUTHORITY IN INTERPRETING EXISTING LAW, THE WHITE HOUSE HAS NOW PROPOSED LEGISLATION TO REMEDY THE

ALLEGED STATUTORY INSUFFICIENCY.

WHILE THE CONGRESS IS NOT LIKELY TO ENACT SUCH A STATUTORY REMEDY (BECAUSE OF AN UNUSUAL COALITION OF LIBERALS AND CONSERVATIVES WHO BELIEVE THE EXISTING STATUTE IS ADEQUATE), THE PROSPECT OF DEREGULATION LEADING TO STATUTE AND THEN TO FURTHER RE-REGULATION IS A CURIOUS ONE.

ADDING TO THE CONFUSION IS THE ROLE THE COURTS WILL PLAY. LAST YEAR, THE FOURTH DISTRICT COURT OF APPEALS RULED THAT IRS ACTED PROPERLY IN DENYING TAX EXEMPT STATUS TO TWO PRIVATE SCHOOLS THAT DISCRIMINATE. PLAINTIFFS APPEALED TO THE SUPREME COURT. AFTER THE WHITE HOUSE POLICY CHANGE, HOWEVER, THE JUSTICE DEPARTMENT PROPOSED THAT THE SUPREME COURT DISMISS THE CASE AS MOOT. PLAINTIFFS ARE NOT MOLLIFIED BY THIS PROPOSAL AND REPORT THAT THEY DO NOT WANT THE CASE DISMISSED--UNLESS THE IRS MOVES TO GRANT THEM TAX-EXEMPT STATUS IMMEDIATELY.

ON FEBRUARY 18, 1982, THE US CIRCUIT COURT OF APPEALS OF THE DISTRICT OF COLUMBIA ISSUED A TEMPORARY RESTRAINING ORDER FORBIDDING THE ADMINISTRATION FROM GRANTING OR RESTORING TAX-EXEMPT STATUS TO RACIALLY DISCRIMINATORY PRIVATE SCHOOLS. THIS INCREASED THE LIKELIHOOD OF SUPREME COURT REVIEW, AND IRS WAS GIVEN UNTIL MARCH 10, TO TELL THE APPEALS COURT WHY THEY SHOULD NOT BE PREVENTED FROM GRANTING SUCH TAX EXEMPTION.

TO COMPLETE THE <u>OPERA BOUFE</u>, THE ADMINISTRATION REVERSED FIELDS AGAIN, ON JANUARY 25, 1982, AND ASKED THE SUPREME COURT TO SETTLE THE ISSUE. BUT THEY ALSO ASKED THAT SOMEONE ELSE REPRESENT THE IRS BECAUSE THE GOVERNMENT STILL THINKS THE EXEMPTION IDEA IS SOUND. THIS MAY MAKE SENSE TO LAWYERS, BUT TO MERE MORTALS IT IS BEYOND HUMAN KEN.

HOWEVER THIS EPISODE RESOLVES ITSELF, IT REINVESTS FALSTAFF'S CLASSIC

OBSERVATION WITH NEW MEANING: "THE BETTER PART OF VALOR IS DISCRETION."

EFFECTS. WHAT ARE THE EFFECTS OF THESE VARIOUS DEREGULATION ACTIVITIES? FIRST, THE LAU REGULATIONS ARE STILL IN LIMBO, A CONDITION WHICH CANNOT BE PERMITTED TO GO ON INDEFINITELY. WHILE IT IS PROBABLY TRUE THAT THE MOTTO OF THE DEPARTMENT OF EDUCATION SHOULD BE NE QUID FACIA MANE (DON'T JUST DO SOMETHING, STAND THERE), EVEN IN THE BUREAUCRACY PREVARICATION AND DELAY HAVE LIMITS.

SECOND, THE IMPACT OF CHAPTERS 1 AND 2 REGULATIONS IS SIMPLY TOO EARLY TO CALL. THE PUBLIC COMMENT PERIOD IS NOW UNDERWAY. BECAUSE MOST FEDERAL EDUCATION PROGRAMS ARE FORWARD FUNDED, THE FULL IMPACT OF BLOCK GRANTS AND CORRESPONDING DEREGULATION WILL NOT BEGIN TO BE FELT UNTIL JULY, 1982. THE DEREGULATION EMPHASIS OF THE DEPARTMENT OF EDUCATION, HOWEVER, APPARENTLY INDUCED "DEREGULATION WITHDRAWAL PAINS" AMONG SOME EDUCATORS. "EDUCATORS FEAR REGULATORY RELIEF WILL GO TOO FAR" WAS THE HEADLINE OF AN OCTOBER, 1981, STORY IN EDUCATION DAILY, THE NATION'S MAJOR EDUCATION NEWS DIGEST. AND SOME WITNESSES BEFORE A HOUSE SUBCOMMITTEE REVIEWING THE DEPARTMENT'S EFFORTS TO STREAMLINE TITLE I AND CONSOLIDATE TWENTY-EIGHT CATEGORICAL GRANTS INTO A SINGLE STATE BLOCK GRANT EXPRESSED THE SAME THEME:

> . . . SIMPLIFICATION LEFT THEM WITH LITTLE IDEA OF THE ROLE OF THE FEDERAL GOVERNMENT--AND THAT OF THEIR OWN STATES--IN ADMINISTERING THE STRIPPED-DOWN PROGRAMS. INDEED, SOME WITNESSES AT YESTERDAY'S HEARING BEFORE THE ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION SUBCOMMITTEE WERE LEFT WONDERING IF TOO LITTLE REGULATION WERE NOT JUST AS BAD AS TOO MUCH.

THE COMMENTS THAT COME IN THIS MONTH AND NEXT MIGHT EVEN BE INTERESTING.

MORE IMPORTANT, HOWEVER, THE IMPACT OF THE EDUCATION BLOCK GRANT AND COLLATERAL DEREGULATION IS CLOUDED BY TWO FACTORS. ONE, BLOCK GRANTS AND DEREGULATION ARE PART OF A LARGER BUDGET CUTTING STRATEGY: LESS REGULATION, LESS MONEY. IN PART, THE FEDERAL GOVERNMENT ANTICIPATES THAT DEREGULATION WILL PRODUCE REAL ADMINISTRATIVE SAVINGS, BUT IT IS CLEAR THAT THE BUDGET CUTS FAR EXCEED POTENTIAL SAVINGS. SECOND, THE STRONG PUSH TO ELIMINATE THE DEPARTMENT OF EDUCATION IS INTERPRETED--CORRECTLY--AS THE FIRST STEP IN ELIMINATING FEDERAL FUNDING OF EDUCATION ALTOGETHER. BLOCK GRANTS, AN ESSENTIAL PART OF THE ADMINISTRATION DEREGULATION STRATEGY, ARE ALSO A PART OF THE NEW FEDERALISM. AN IMPORTANT PART OF THE NEW FEDERALISM IS TO TRADE EDUCATION FOR FULL FEDERAL ASSUMPTION OF SUCH PROGRAMS AS MEDICAID. THE "REAL" PRICE (OR SAVING) OF DEREGULATION, THEN, MAY BE THE VIRTUAL ELIMINATION OF FEDERAL FUNDING FOR EDUCATION.

THIRD, THE WHITE HOUSE HANDLING OF THE TAX-EXEMPT STATUS OF PRIVATE SCHOOLS WHICH PRACTICE RACIAL DISCRIMINATION WAS A SELF-INFLICTED WOUND. IT WAS AN EMBARRASSMENT OF THE WORST KIND TO THE NATION'S ESTABLISHED PRIVATE SCHOOL COMMUNITY, WHICH PRIDES ITSELF ON THE GENUINE PROGRESS IT HAS MADE IN RACIAL INTEGRATION. THESE SCHOOLS HAVE SPENT MORE THAN A DECADE ATTEMPTING TO OVERCOME A REPUTATION FOR ELITISM AND EXCLUSIVITY. THE WHITE HOUSE ANNOUNCEMENT WAS A SERIOUS SETBACK TO RESPONSIBLE PRIVATE SCHOOLS.

OF EQUAL IMPORTANCE, THE WHITE HOUSE DECISION ON THIS MATTER SIMPLY TOOK THE WIND OUT OF THE TUITION TAX CREDIT SAIL. BEFORE THE IRS DECISION, THE MOST SERIOUS OBJECTION TO TAX CREDITS WAS THAT THEY WOULD LEGITIMIZE AND INSTITUTIONALIZE GOVERNMENT SUPPORT OF RACIALLY DISCRIMINATORY

SCHOOLS: SENATORS MOYNIHAN, PACKWOOD, AND OTHERS WHO SUPPORTED TAX CREDITS, COULD SAY WITH CONFIDENCE THAT RACIALLY DISCRIMINATORY SCHOOLS WOULD NOT BE ELGIBLE. THE WHITE HOUSE DECISION SIMPLY PULLED THE RUG OUT FROM UNDER THEM. FOR THE FIRST ADMINISTRATION IN HISTORY COMMITTED TO TAX CREDITS, IT GIVES NEW MEANING TO THE OLD ADAGE: "WITH FRIENDS LIKE THAT, WHO NEEDS ENEMIES?"

THE PROGRESS TO DATE IS ENOUGH TO GIVE DEREGULATION A BAD NAME. FIRST, THE PROCESS OF DEREGULATION HAS BEEN HANDLED CLUMSILY, SLOWLY, AND WITHOUT ADEQUATE COMMUNICATION AND COLLABORATION. WITNESS CHAPTER 1, 2, AND THE LAU REGS.

SECOND, THE SUBSTANCE OF DEREGULATION HAS BEEN TAINTED--PERHAPS FATALLY--BY THE TREATMENT OF TAX-EXEMPT SCHOOLS THAT PRACTICE RACIAL DISCRIMINATION. IT WAS PRECISELY THE WRONG ISSUE AT THE WRONG TIME.

THIRD, AND PERHAPS OF GREATEST IMPORTANCE, THE VERY IDEA OF DEREGULATION HAS BECOME ENMESHED IN THE TAR BABY OF BUDGET CUTS. REMEMBER THAT DEREGULATION ACCOMPANIED THE FIRST ROUND OF CUTS BECAUSE, AS OMB INFORMED US, THE SAVINGS ATTRIBUTABLE TO DEREGULATION WOULD OFFSET THE REDUCED APPROPRIATIONS. NO MORE BURDENSOME REGULATIONS, NO MORE ADMINISTRATIVE OVERHEAD.

THERE IS GENERAL AGREEMENT THAT DEREGULATION WILL SAVE MONEY, BUT NO ONE IS FOOLED BY THE CLAIM THAT IT WOULD SAVE AN AMOUNT EQUAL TO THE CUTS.

NOW I AM NOT PARTICULARLY OPPOSED TO THE CUTS, AND I THINK A VALID ARGUMENT CAN BE FRAMED ON BEHALF OF RETURNING LOWER EDUCATION RESPONSIBILITY TO THE STATES. BUT THE ISSUES SHOULD NOT BE CONFOUNDED: DEREGULATION, BUDGET CUTS, AND THE NEW FEDERALISM ARE INDEPENDENT IDEAS THAT

SHOULD STAND ON THEIR OWN. ADMITTEDLY, THEY INTERACT, BUT THEY SHOULD NOT BE USED FOR POLITICAL SLEIGHT OF HAND. AS PROPOSED, THEY REPRESENT A SORT OF NEGATIVE SYNERGY, IN WHICH THE TOTAL IS LESS THAN THE SUM OF THE PARTS.

ONE MORE CYNICAL THAN I MIGHT SUPPOSE THAT A SHELL GAME IS IN PROGRESS. THERE IS, BUT IT IS NOT BEING RUN IN WASHINGTON. INDEED, WASHINGTON IS BUT ONE OF THE THREE SHELLS THAT OBSERVERS MUST WATCH: THE OTHER TWO ARE STATE AND LOCAL GOVERNMENTS. IT IS IMPORTANT TO REMEMBER THAT IF THE WASHINGTON SHELL IS TURNED OVER, WE FIND LESS THAN EIGHT PERCENT OF EDUCATION FUNDING: DEREGULATING OR NEW FEDERALIZING THAT AMOUNT IS INTERESTING BUT NOT CRITICAL. THE SHELL WORTH WATCHING IS THE ONE COVERING THE STATES WHICH, IN 1980, FOR THE FIRST TIME IN OUR HISTORY NOW CONTROL OVER FIFTY PERCENT OF EDUCATION RESOURCES.

IRONICALLY, THE MOVEMENT TOWARD STATE CONTROL OF EDUCATION WAS A PRODUCT OF A MAJOR, GRASS ROOTS, LOCAL INITIATIVE EFFORT: PROPOSITION 13. ITS MOST PROFOUND AND LASTING EFFECT HAS BEEN TO STRIP LOCAL SCHOOL DISTRICTS IN CALIFORNIA OF THE LAST VESTIGES OF AUTHORITY AND RESPONSIBILITY. THE STATE OF CALIFORNIA NOW CONTRIBUTES IN EXCESS OF SEVENTY PERCENT OF LOWER EDUCATION FUNDING AND THE BALANCE IS DERIVED LOCALLY, <u>BUT</u> AT THE PLEASURE OF THE STATE. LOCAL CONTROL IN CALIFORNIA IS A VANISHING MEMORY, MORE FICTION THAN FACT.

CHANGES IN WASHINGTON SIMPLY GIVE THIS PROCESS SOME SMALL ADDITIONAL INCREMENT OF MOMENTUM. IF DEREGULATION IS AN ISSUE AT ALL, IT IS A STATE ISSUE. AND IF THE NEW FEDERALISM IS AN ISSUE, IT SHOULD BE RECAST IN TERMS OF THE RELATIONSHIP OF STATES TO SCHOOL DISTRICTS.

IT IS PRECISELY AT THIS POINT, HOWEVER, THAT THE FEDERALISM METAPHOR WEAKENS, BECAUSE THE RELATIONSHIP OF SCHOOL DISTRICTS TO THE STATE IS NOT THAT OF STATES TO THE FEDERAL GOVERNMENT. THE STATES ARE SOVEREIGN--WITHIN CAREFULLY DEFINED LIMITS--WHILE SCHOOL DISTRICTS ARE NOT. TO REPEAT, SCHOOL DISTRICTS ARE CREATURES OF THE STATE: ANY FREEDOM THEY ENJOY--IN CURRICULUM, ORGANIZATION, GOVERNANCE, FINANCING--THEY ENJOY AT THE PLEASURE OF THE STATE. STATE GOVERNMENT, THEN IS THE LOCUS OF CONTROL, AND THE PLACE WE SHOULD TURN OUR ATTENTION IF WE ARE TO TREAT THE QUESTION OF DEREGULATION SERIOUSLY. AND IN A PERIOD OF SCARCITY, IT IS A SERIOUS ISSUE INDEED.

IT IS SERIOUS BECAUSE OF THE PURPOSES OF DEREGULATION. IN THE PUBLIC SECTOR AS WELL AS THE PRIVATE, THE PURPOSES OF DEREGULATION ARE MULTIPLE: TO INCREASE EFFICIENCY, LOWER COSTS, INCREASE PRODUCTIVITY, AND INCREASE ACCOUNTABILITY. THE KEY TO THESE ADMIRABLE OBJECTIVES IS FLEXIBILITY AND THE RESTORATION OF JUDGMENT.

IN PERIODS OF ABUNDANCE, REGULATORY BURDENS ARE MORE MANAGEABLE. EXCESSIVELY REGULATORY WEIGHT IS TAKEN UP BY INSTITUTIONAL AND FINANCIAL SLACK, BUT THE CORE ACTIVITIES OF THE SCHOOL ARE NOT ADVERSELY AFFECTED. IN PERIODS OF SCARCITY, HOWEVER, UNNECESSARY AND INAPPROPRIATE REGULATION ARE SPECIALLY ONEROUS.

THE QUESTION OF DEREGULATION, HOWEVER, IS GIVEN A SPECIAL SENSE OF URGENCY BECAUSE OF THE CONFIGURATION OF RECENT TRENDS. THERE ARE THREE DIMENSIONS.

ONE, THE PAST DECADE AND ONE HALF HAS BEEN CHARACTERIZED BY INCREASING REGULATORY BURDEN THROUGHOUT THE NATION AT ALL LEVELS OF EDUCATION.

TWO, IT IS CLEAR THAT THE NATION'S SCHOOLS--PARTICULARLY INNER CITY SCHOOLS--ARE ENTERING A PERIOD OF GENUINE CRISIS.

THREE, IT IS EQUALLY CLEAR THAT THERE IS NO NEW MONEY FOR SCHOOLS. WITHOUT REFERENCE TO IDEOLOGY OR PARTY, I SEE NO NEW MONEY ON THE HORIZON. IN FACT, IT SEE REAGAN AS THE REACTION, NOT THE REACTIONARY: NO PRESIDENT OR GOVERNOR COULD CONTINUE TO RIDE THE INCREASING EXPENDITURE TRAJECTORIES OF THE SIXTIES AND SEVENTIES. THERE ARE NOW DIFFERENT AND MORE NUMEROUS CLAIMANTS FOR OTHER SOCIAL SERVICES AS THE POPULATION AGES AND THE NUMBER OF SCHOOL AGE CHILDREN CONTINUES TO DECLINE, BOTH ABSOLUTELY AND RELATIVELY.

THIS SIMPLE OBSERVATION IS IMPORTANT BECAUSE OUR TRADITION OF REFORM--AND REGULATION--HAS BEEN ADDITIVE RATHER THAN STRUCTURAL OR ORGANIC. BUT THERE IS NOTHING LEFT TO ADD.

IF YOU ACCEPT THIS ANALYSIS, THE ONLY WAY IN WHICH SCHOOLS CAN IMPROVE IS TO DO A BETTER JOB: MORE OF THE SAME SIMPLY WON'T WORK.

LET ME CONCLUDE WITH AN EXAMPLE. WE FACE A NEARLY INTRACTABLE PROBLEM IN SECONDARY SCHOOL MATHEMATICS INSTRUCTION. MATHEMATICIANS CANNOT BE ATTRACTED TO TODAY'S HIGH SCHOOLS FOR A VARIETY OF REASONS: LOWER SALARIES THAN THEY COMMAND IN THE PRIVATE MARKET; DIFFICULT WORKING CONDITIONS; DISAGREEABLE LICENSING REQUIREMENTS; AND LOW STATUS. THE PROBLEM IS COMPOUNDED BY OTHER FACTORS OF COURSE: FEMALE MATHEMATICIANS ARE NO LONGER "STUCK" TEACHING; THEY NOW HAVE OTHER OPTIONS.

HOW IS THE PROBLEM TO BE SOLVED? I HAVE NO PERFECT ANSWER, BUT I DO KNOW THAT WHATEVER ANSWER IS ADOPTED, IT WILL REQUIRE STATES TO DEREGULATE THAT FACET OF THE CURRICULUM. THINK OF THE POSSIBLE SOLUTIONS AND THE PROBABILITY OF ENACTMENT:

- PAY ALL TEACHERS MORE TO CAPTURE MORE MATH TEACHERS: THE LIKELIHOOD OF ENACTMENT? ZERO.
- UNDERWRITE SUBSTANTIAL IN-SERVICE TRAINING PROGRAMS--OR SUMMER PROGRAMS--TO RETRAIN EXISTING NON-MATH TEACHERS AS MATHEMATICIANS. ENACTMENT POSSIBILITY? LOW.
- SPLIT SALARY SCHEDULES: ONE FOR MATH, ONE FOR OTHER TEACHERS. A BETTER CHANGE OF ENACTMENT, BUT ONE THAT WOULD REQUIRE SIGNIFICANT STATUTORY AND REGULATORY CHANGES, AS WELL AS WHOLESALE CHANGES IN ATTITUDES.
- CHANGES IN TEACHER LICENSING REQUIREMENTS TO EASE ENTRY INTO THE PROFESSION BY MATHEMATICIANS. POSSIBLE, BUT ONE THAT WOULD REQUIRE EXTENSIVE CHANGE AS WELL.
- ESTABLISH ADJUNCT RELATIONSHIPS TO GAIN THE PART-TIME OR OCCASIONAL SERVICES OF PRIVATE SECTOR MATHEMATICIANS. POSSIBLE, BUT EXTENSIVE CHANGE WOULD BE REQUIRED.
- CONTRACT FOR MATH INSTRUCTION WITH THE PRIVATE SECTOR. LIKELIHOOD? LOW.
- DO NOTHING? LIKELIHOOD? HIGH IN MOST DISTRICTS.
- ALL OF THE ABOVE? THE MOST LIKELY OUTCOME.

ARE THERE ANY SIGNS OF CHANGE ON THE HORIZON? UNFORTUNATELY, IN PUBLIC LOWER EDUCATION THERE ARE FEW; A FEW MORE IN HIGHER EDUCATION; AND SOME MOVEMENT IN THE CORPORATE SECTOR. LET ME QUICKLY SKETCH SOME OF THE OUTLINES.

FIRST, WE NOW KNOW THAT EDUCATION HAS EFFECTS; SOME SCHOOLS ARE BETTER THAN OTHERS; AND SOME TEACHERS ARE BETTER THAN OTHERS. WE ALSO KNOW THAT TIME ON TASK IS IMPORTANT, THAT STUDENTS WHO SPEND MORE TIME STUDYING MATH ARE MORE LIKELY TO LEARN THAT THOSE WHO SPEND LESS. WE ALSO KNOW THAT THE AMOUNT OF TIME SPENT BY DIFFERENT TEACHERS DIFFERS

GREATLY: BY A FACTOR OR FOUR OR FIVE TO ONE IN SOME CASES. THERE IS, THEN, SOME SLACK IN THE EXISTING SYSTEM FROM WHICH PRODUCTIVITY GAINS MAY BE REALIZED.

TWO, A SMALL NUMBER OF PRIVATE ELEMENTARY SCHOOLS ARE EXPLORING THE POSSIBILITIES OF SPLIT SALARY SCHEDULES, DESIGNED NOT AS MERIT PAY, BUT TO REFLECT MARKET REALITIES. THIS IS AN OLD PRACTICE IN UNIVERSITY PROFESSIONAL SCHOOLS--LAW AND MEDICINE IN PARTICULAR-- IN WHICH COMPENSATION VARIES BY DISCIPLINE. AND IT IS A PRACTICE OBSERVED IN ATTENUATED FORM IN OTHER DISCIPLINES.

THREE, A SMALL NUMBER OF CORPORATIONS ARE BEGINNING PROGRAMS THAT DEAL WITH TEACHER SHORTAGES IN MATH AND MATH-RELATED FIELDS: RELEASE TIME FOR VOLUNTEER WORK IS MORE READILY AVAILABLE: ADJUNCT RELATIONSHIPS BETWEEN HI-TECH CORPORATIONS AND UNIVERSITIES ARE EVOLVING WHICH PROVIDE SALARY SUPPLEMENTS FOR FACULTY OR RELEASE TIME FOR EMPLOYEES TO TEACH; AND SUBSTANTIAL GRANTS HAVE BEEN MADE BY SOME MAJOR CORPORATIONS TO ENGINEERING SCHOOLS.

THE FOURTH, AND POTENTIALLY MOST IMPORTANT DEVELOPMENT, EXISTS OUTSIDE OF TRADITIONAL SCHOOLS ALTOGETHER. IT CAN BEST BE DESCRIBED AS A MARKET RESPONSE TO A CRITICAL SHORTAGE: PRIVATE INDUSTRY AND BUSINESS IS NOW SUPPORTING ITS OWN EDUCATION AND TRAINING IN A MAJOR WAY. OUR BEST ESTIMATES INDICATE THAT THE PRIVATE CORPORATE SECTOR NOW INVESTS THIRTY BILLION A YEAR IN EDUCATION AND TRAINING. AND IN AREAS OF ACUTE SCARCITY, PROPRIETARY SCHOOLS AND PROGRAMS ARE APPEARING. THE WANG INSTITUTE IS THE MOST NOTABLE EXAMPLE.

EVEN TAKEN TOGETHER, THESE FOUR EXAMPLES TELL US LITTLE ABOUT HOW THE PROBLEM WILL BE SOLVED, BUT THEY WILL FORCE SCHOOLS TO DEAL WITH IT. MICHAEL KIRST, IN FACT, MAY HAVE IDENTIFIED THE ULTIMATE TRUMP CARD IN THE LOW-COST FIX GAME. HIGH SCHOOL CURRICULA, AND INDIRECTLY, GRADE SCHOOL CURRICULA, ARE SET BY UNIVERSITY ENTRANCE REQUIREMENTS. THERE IS EVIDENCE THAT COLLEGES AND UNIVERSITIES ARE BEGINNING TO RAISE STAN-DARDS AGAIN.

THE TWIN IMPERATIVES OF SCARCITY AND THE NEW FEDERALISM --WHETHER INDUCED BY POLITICS OR THE ECONOMY--ARE GOING TO FORCE DEREGULATION ON THE SCHOOLS. THE MAJOR CHANGES THAT SCHOOLS MUST MAKE CANNOT TAKE PLACE WITHOUT IT.

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